

ATTACHMENT A

Attachment A

THE VERIZON TELEPHONE COMPANIES

The Verizon telephone companies are the local exchange carriers affiliated with Verizon Communications Inc. These are:

Contel of the South, Inc. d/b/a Verizon Mid-States
GTE Midwest Incorporated d/b/a Verizon Midwest
GTE Southwest Incorporated d/b/a Verizon Southwest
The Micronesian Telecommunications Corporation
Verizon California Inc.
Verizon Delaware Inc.
Verizon Florida Inc.
Verizon Hawaii Inc.
Verizon Maryland Inc.
Verizon New England Inc.
Verizon New Jersey Inc.
Verizon New York Inc.
Verizon North Inc.
Verizon Northwest Inc.
Verizon Pennsylvania Inc.
Verizon South Inc.
Verizon Virginia Inc.
Verizon Washington, DC Inc.
Verizon West Coast Inc.
Verizon West Virginia Inc.

ATTACHMENT B

State Commission Reporting Requirements For Large LECs

<u>BellSouth</u>	<u>Financial Reports</u>	<u>Service Quality Reports</u>	<u>Infrastructure Reports</u>
Alabama	X	X	X
Florida		X	X
Georgia	X	X	X
Kentucky	X	X	X
Louisiana	X	X	
Mississippi	X	X	X
North Carolina	X	X	X
South Carolina	X	X	X
Tennessee	X	X	X

<u>QWEST</u>	<u>Financial Reports</u>	<u>Service Quality Reports</u>	<u>Infrastructure Reports</u>
Arizona	X	X	X
Colorado	X	X	X
Idaho	X	X	X
Iowa	X	X	X
Minnesota	X	X	X
Montana	X	X	X
Nebraska	X	X	X
New Mexico	X	X	X
North Dakota	X	X	X

State Commission Reporting Requirements For Large LECs

<u>QWEST(continued)</u>	<u>Financial Reports</u>	<u>Service Quality Reports</u>	<u>Infrastructure Reports</u>
Oregon	X	X	X
South Dakota	X		X
Utah	X	X	X
Washington	X	X	X
Wyoming	X	X	X
 <u>SBC</u>	 <u>Financial Reports</u>	 <u>Service Quality Reports</u>	 <u>Infrastructure Reports</u>
Arkansas	X	X	
California	X	X	X
Connecticut	X	X	(Upon Request)
Illinois	X	X	X
Indiana	X	X	X
Kansas	X	X	
Michigan	X	X	
Missouri	X	X	
Nevada	X	X	X
Ohio	X	X	X
Oklahoma	X	X	X
Texas	X	X	X
Wisconsin	X	X	X

State Commission Reporting Requirements For Large LECs

<u>Verizon</u>	<u>Financial Reports</u>	<u>Service Quality Reports</u>	<u>Infrastructure Reports</u>
Alabama	X	X	
California	X	X	X
Connecticut	X	X	(Upon Request)
Delaware		X	
Florida		X	
Hawaii	X	X	X
Idaho	X	X	
Illinois	X	X	X
Indiana	X	X	(Upon Request)
Kentucky	X	X	X
Maine	X	X	X
Maryland	X	X	X
Massachusetts	X	X	(Upon Request)
Michigan	X	X	
Missouri	X	X	
Nevada	X		
New Hampshire	X	X	(Upon Request)
New Jersey	X	X	X
New York	X	X	X
North Carolina	X	X	X
Ohio	X	X	X

State Commission Reporting Requirements For Large LECs

<u>Verizon (continued)</u>	<u>Financial Reports</u>	<u>Service Quality Reports</u>	<u>Infrastructure Reports</u>
Oregon	X	X	X
Pennsylvania	X	X	X
Rhode Island	X	X	(Upon Request)
South Carolina	X	X	
Texas	X	X	X
Vermont	X	X	X
Virginia	X	X	X
Washington	X	X	X
Washington D.C.	X	X	X
West Virginia	X	X	X
Wisconsin	X	X	X

ATTACHMENT C

ATTACHMENT C

USF INPUT DATA REQUEST EXAMPLE (Nonproprietary)

Who Reports:

All Nonrural Telecommunications Carriers

Level of Reporting:

Operating Telephone Company [Note: Nationwide averages are calculated and used. Because of this, carriers should be able to report at Operating Telephone Company Level]

Frequency of Reporting:

Only when USF Model is to be updated. [Note: The last update was in 2000 and information should not have to be reported more frequently]

Information to be Reported (Report Period identified at time data request is issued – normally this would be annual calendar year information):

Revenue

Regulated Basic Local Service Revenue	\$
Regulated Uncollectible Revenue – Retail*	\$

Expense

Regulated Network Support Expense	\$
Regulated General Support Expense	\$
Regulated Digital Electronic Central Office Switching Expense	\$
Regulated Circuit Equipment Central Office Transmission Expense	\$
Regulated Poles Expense	\$
Regulated Aerial Cable Expense	\$

Regulated Buried Cable Expense	\$
Regulated Conduit Systems Expense	\$
Regulated Other Property, Plant and Equipment Expense (includes property held for future use and provisioning expenses)	\$
Regulated Network Operations Expense	\$
Regulated Product Advertising Expense	\$
Regulated Services Expense	\$
Regulated Executive, Planning, General and Administrative Expense	\$

Investment in Service (Gross)

Regulated Land	\$
Regulated Motor Vehicles	\$
Regulated Tools and Other Work Equipment**	\$
Regulated Buildings	\$
Regulated Furniture	\$
Regulated Office Equipment	\$
Regulated General Purpose Computers	\$
Regulated Digital Electronic Switching Equipment	\$
Regulated Circuit Equipment	\$
Regulated Poles	\$

ATTACHMENT C

USF INPUT DATA REQUEST EXAMPLE (Nonproprietary)

Regulated Aerial Cable	\$
Regulated Underground Cable	\$
Regulated Buried Cable	\$
Regulated Conduit Systems	\$

Statistics

Residential Access Lines	#
Business Access Lines	#
Special Access Lines (equivalents)	#
Local Calls	#
IntraLATA Completed Toll Calls (Originating)	#
InterLATA Interstate Completed Toll Calls	#
InterLATA Intrastate Completed Toll Calls	#

*Carriers can provide the retail portion of uncollectibles. This makes reporting of End User Revenue, Switched Access Revenue and Special Access Revenue unnecessary. In addition, Long Distance Message Revenue was eliminated because it is not associated with USF supported services.

**Commission has since combined special purpose vehicles, garage work equipment and other work equipment into one account called Tools and Other Work Equipment. Input order showed only garage work equipment and other work equipment is being requested.

See next page for definitions.

ATTACHMENT C

USF INPUT DATA REQUEST EXAMPLE (Nonproprietary)

Definitions:

Regulated Basic Local Revenue Service – Includes regulated operating revenue derived from the provision of basic area message services, non-optional extended area services, billed or guaranteed portion of semi-public services; optional extended area services; cellular mobile telecommunications systems connected to the public switched network; message revenue from general radio telecommunications systems connected to the public switched network as well as revenue from mobile radio paging, mobile dispatching, and signaling services; local services that involve dedicated circuits, private switching arrangements, and/or predefined transmission paths, whether virtual or physical, which provide communications between specific locations; tariffed information origination/termination plant; provision of secondary features integrated with telecommunications network (such as call forwarding, call waiting and touch-tone), central office related service connection and termination charges, other non-remise customer specific charges associated with public network services; charges and credits from contractual revenue pooling and/or sharing agreements for tariffed local network service when not separately identifiable in the settlement process.

Regulated Uncollectible Revenue Retail – Regulated uncollectible revenue associated with retail operations.

Regulated Network Support Expense – Regulated maintenance and repair expense associated with motor vehicle investment, aircraft investment and tools and other work equipment investment. (For example, includes cost of fuel, lubrication, license and inspection fees, washing, repainting and minor accessories. Also includes personnel costs for chauffeurs and shuttle bus drivers.)

Regulated General Support Expense – Regulated maintenance and repair expense associated with land and buildings, furniture and artwork, office equipment, general purpose computers. (For example, includes janitorial service, cleaning supplies, water, sewage, fuel and guard service, electrical power other than for specific equipment.)

Regulated Digital Electronic Central Office Switching Expense – Regulated maintenance and repair expense associated with digital electronic switching.

Regulated Circuit Equipment Central Office Transmission Expense – Regulated maintenance and repair expense associated with circuit equipment.

Regulated Poles Expense – Regulated maintenance and repair expense associated with poles.

Regulated Aerial Cable Expense – Regulated maintenance and repair expense associated with aerial cable.

Regulated Buried Cable Expense – Regulated maintenance and repair expense associated with buried cable.

ATTACHMENT C

USF INPUT DATA REQUEST EXAMPLE (Nonproprietary)

Regulated Conduit Systems Expense – Regulated maintenance and repair expense associated with conduit systems.

Regulated Other Property, Plant and Equipment Expense (includes property held for future use and provisioning expenses) – Regulated expense associated with property held for future use and provisioning material and supplies, including office supplies. (For example receiving and stocking, filling requisitions from stock, monitoring and replenishing stock levels, delivery of material, storage, loading or unloading and administering the reuse or refurbishment of material, and inventory adjustments)

Regulated Network Operations Expense – Regulated expense associated with the power needed to operate the telecommunication network, costs incurred in network administration (for example controlling traffic flow, administering traffic measuring and monitoring, assigning equipment and load balancing, collecting and summarizing traffic data, administering trunking, assigning interoffice facilities and circuit layout work), costs incurred in testing telecommunications facilities from a testing facility, receiving recording and analyzing trouble reports, testing to determine that nature and location of reported troubles, dispatching repair persons, general administration of plant operations (for example planning, coordinating and monitoring plant operations, performing staff work such as methods and procedures, preparing and conducting off-the-job training, coordinating safety programs); general engineering of telecommunications plant (for example developing input to the fundamental planning process, performing preliminary work or advance planning in connection with potential undertakings and special studies of an engineering nature).

Regulated Product Advertising Expense – Regulated costs incurred in developing and implementing promotional strategies to stimulate purchase of products and services (does NOT include corporate image, stock and bond issue and employment advertisements)

Regulated Services Expense – Regulated costs incurred in helping customers place and complete calls (for example handling and recording, intercept, quoting rates, time and charges); providing customer number and classified listings (for example preparing or purchasing, compiling, and disseminating listings through directory assistance or other means); costs incurred in establishing and servicing customer accounts (for example, initiating customer service orders and records, maintaining and billing customer accounts, collecting and investigating customer accounts, including collecting revenues, reporting receipts, administering collection treatment, and handling contacts with customers regarding adjustments of bills, collecting and reporting pay station receipts, instructing customers in the use of products and services); amounts paid by interexchange carriers or other exchange carriers to another exchange carrier for billing and collection services.

Regulated Executive, Planning, General and Administrative Expense – Regulated costs incurred in formulating corporate policy, in providing overall administration and management (for example pay, fees and expenses of boards of directors and board designated company officers and staffs); the costs included in developing and evaluating long-term courses of action for future operations of the company (for example performing corporate organization and integrated long-range planning, including management studies, options and contingency plans, and economic strategic analysis); the costs of a general and administrative

ATTACHMENT C

USF INPUT DATA REQUEST EXAMPLE (Nonproprietary)

nature such as costs included in providing accounting and financial services, costs incurred in maintaining relations with government, regulators, other companies and the general public, costs incurred in performing personnel administration, cost incurred in planning and maintaining application systems and databases for general purpose computers, costs incurred in providing legal services, costs incurred in procuring material and supplies, including office supplies, costs incurred in making planned search or critical investigation aimed at discovery of new knowledge; other miscellaneous costs of a corporate nature (for example, general reference libraries, food services, archives, general security, telecommunication, mail service, accident and damage claims, insurance, benefit payments for retired and separated employees, disability payments, payments to employees while in government service, death payments)

Regulated Land – Regulated original capitalized cost of Land included in Plant Investment that is in service. Also includes cost of easements and special assessments upon land for the construction of public improvements.

Regulated Motor Vehicles – Regulated original capitalized cost of Motor Vehicles in Plant Investment that is in service.

Regulated Tools and Other Work Equipment - Regulated original capitalized cost of special purpose vehicles, tools and maintenance equipment that is in service (for example, power-operated equipment, general purpose tools, etc.)

Regulated Buildings – Regulated original capitalized cost of buildings that are in service along with permanent fixtures, machinery, appurtenances and appliances installed as part thereof as well as costs incidental to the construction or purchase of a building and securing possession and title.

Regulated Furniture – Regulated original capitalized cost of furniture in buildings that are in service (for example, furniture in offices, storerooms, shops, etc.). Also includes objects that possess aesthetic value.

Regulated Office Equipment – Regulated original capitalized cost of office equipment in buildings that are in service (for example, office equipment in offices, storerooms, shops, etc.)

Regulated General Purpose Computers – Regulated original capitalized cost of computers and peripheral devices which are designed to perform general administrative information processing activities that are in service (for example, preparation of financial, statistical or other business analytical reports; preparation of payroll, customer bills, and cash management reports, etc.)

Regulated Digital Electronic Switching Equipment – Regulated original capitalized cost of stored program control digital switches and their associated equipment that are in service. Digital electronic switches can use either dedicated or nondedicated circuits. Remote switches are also included.

ATTACHMENT C

USF INPUT DATA REQUEST EXAMPLE (Nonproprietary)

Regulated Circuit Equipment – Regulated original capitalized cost of equipment used to reduce the number of physical pairs otherwise required to serve a given number of subscribers by utilizing carrier systems, concentration stages or combinations of both. Includes equipment that provides for simultaneous use of a number of interoffice channels on a single transmission path as well as equipment used for amplification, modulation, regeneration, circuit patching, balancing of control signals transmitted over interoffice communications transmission channels. Also includes equipment utilizing the message path to carry signaling information or utilizing separate channels between switching offices, to transmit signaling information independent of the subscribers' communication paths or transmission channels. Include the original cost of associated material used in the construction of such plant. Circuit equipment may be located in central offices, in manholes, on poles, in cabinets or huts or at other company locations.

Regulated Poles – Regulated original capitalized cost of Poles that are in service. Includes poles, crossarms, guys and other material used in the construction of pole lines including towers when not associated with buildings and the cost of initially clearing pole line routes and tree trimming.

Regulated Aerial Cable – Regulated original capitalized cost of aerial cable that is in service. Includes drop and block wires served by such cable or aerial wire as well as the cost of other material used in construction of such plant. Also includes the cost of permits and privileges for the construction of these facilities.

Regulated Underground Cable – Regulated original capitalized cost of underground cable installed in conduit that is in service. Includes cost of other materials used in construction of this plant. Also includes cost of pumping water out of manholes and of cleaning manholes and ducts in connection with construction work along with the cost of permits and privileges for construction of these facilities.

Regulated Buried Cable – Regulated original capitalized cost of buried cable that is in service. Includes cost of other materials used in construction of this plant. Also includes cost of pumping water out of manholes and of cleaning manholes and ducts in connection with construction work along with the cost of permits and privileges for construction of these facilities.

Regulated Conduit Systems – Regulated original capitalized cost of conduit that is in service. Includes conduit, whether underground, in tunnels or on bridges, which is reusable in place. Also includes cost of opening trenches and any necessary repaving during construction. Includes cost of pumping water out of manholes and of cleaning manholes during construction and the cost of permits and privileges for construction of these facilities.

Residential Access Lines - Total equivalent analog or digital switched access lines to residential customers. (For example, includes equivalent 4 kHz analog switched access lines to residential customers, equivalent 64 kbps digital residential access lines and, access lines to a common carrier base station using mobile radio)

ATTACHMENT C

USF INPUT DATA REQUEST EXAMPLE (Nonproprietary)

Business Access Lines - Total voice-grade equivalent analog or digital switched access lines to business customers. (For example, includes single line business access lines subject to the single line business interstate end user common line charge, includes the total of analog multiline business access lines subject to the multiline business interstate end user common line charge including PBX trunks, Centrex-CU trunks, hotel/motel LD trunks and Centrex-CO lines, includes all equivalent 64 kbps digital business access lines, includes lines that provide payphone service, i.e., total coin - public and semi-public- lines, including customer owned pay telephones.)

Special Access Lines (equivalents) - Nonswitched lines connecting an end user's premises to an interexchange carrier point of presence. These access lines are those furnished by the reporting carrier under the provisions of the carrier's state and interstate Special Access tariffs. Includes 4 kHz or equivalent analog special access lines terminated at the customer designated premises. For each 4 kHz or equivalent service configuration with only one customer designated premises, e.g., where the line connects to a WATS Serving Office, count one (1) access line. For each 4 kHz or equivalent service configuration with two or more customer designated premises locations, count one (1) access line for each customer designated premises location, and subtract one from that total-thus deducting the IXC point-of-presence location-to obtain the correct count. Also includes 64 kbps or equivalent digital special access lines terminated at the customer designated premises. For each 64 kbps service configuration with only one customer designated premises, e.g., where the line connects to a WATS Serving Office, count one (1) access line. For each 64 kbps service configuration with two or more customer designated premises locations, count one (1) access line for each customer designated premises location, and subtract one from that total-thus deducting the IXC point-of-presence location-to obtain the correct count. Where DS-3 or DS-1 service is provided without individual 64 kbps circuit terminations, multiply the number of DS-3 terminations by 672 and the number of DS-1 terminations by 24 when calculating the value for this column. In the above calculation, only use those DS-1's and DS-3's for which the customer is billed. Do not double count 64 kbps circuits associated with DS-1 service where the 64 kbps circuits are customer-derived.

Local Calls - The number of originating calls completed or unanswered between points both of which are within the local service area of the calling telephone, or total originating calls minus total originating toll calls. Include local message unit calls and local extended area service (EAS) calls.

IntraLATA Completed Toll Calls (Originating) - The number of completed toll calls carried by the reporting local operating company within a given Local Access and Transport Area (LATA). Include intraLATA-interstate and intraLATA-intrastate toll calls. Include outward calls, 800 service, directory service, dial-it services (e.g., 900 and 936 services), and optional calling plans, where applicable.

InterLATA Interstate Completed Toll Calls -The number of completed interstate toll calls directed to and carried by interexchange carriers. Include outward calls, 800 service, directory service, dial-it services (e.g., 900 and 936 services), and optional calling plans. Calls should not be double counted at the originating and terminating ends.

InterLATA Intrastate Completed Toll Calls -The number of completed intrastate toll calls directed to and carried by interexchange carriers. Include outward calls, 800 service, directory service, dial-it services (e.g., 900 and 936 services), and optional calling plans.

ATTACHMENT C

USF INPUT DATA REQUEST EXAMPLE (Nonproprietary)

Calls should not be double counted at the originating and terminating ends.

ATTACHMENT D

ATTACHMENT D
POLE ATTACHMENT/CONDUIT LEASING REPORT (Nonproprietary)

Who Reports:

Any Facilities-Based Provider Leasing Pole/Conduit space

Level of Reporting:

State

Frequency of Reporting:

Annually on April 1 of each year

Annual Calendar Year Information January 1, xxxx through December 31, xxxx

Total Plant Investment In Service	\$
Conduit Investment	\$
Pole Investment	\$
Total Depreciation Reserve	\$
Depreciation Reserve Conduit	\$
Depreciation Reserve Poles	\$
Depreciation Rate for Conduit	%
Depreciation Rate for Poles	%
Total Deferred Income Tax	\$
Maintenance Expense Conduit	\$
Maintenance Expense Poles (excludes pole rental expense)	\$
Executive, Planning, General and Administrative Expense	\$
Operating Tax Expense	\$
Total Number of Poles	#
Total Kilometers of Conduit System Duct	#
Total Kilometers of Conduit System Trench	#

ATTACHMENT D
POLE ATTACHMENT/CONDUIT LEASING REPORT (Nonproprietary)

Definitions:

Total Plant Investment In Service – The original capitalized cost of investment in plant in service. Includes Labor, Engineering, Material and Supplies, Transportation, Contract Work, Protection, Privileges, Permits, Rights of Way, Taxes, Special Machine Service, Allowance for Funds Used During Construction, Insurance, Construction Services, and Indirect Construction costs such as direct supervision for investment in Land and Support Assets, Central Office assets, Information Origination/Termination assets, Cable and Wire assets, and Amortizable assets.

Conduit Investment - The original capitalized cost of conduit included in Plant Investment Includes conduit, whether underground, in tunnels or on bridges, which is reusable in place. Also includes cost of opening trenches and any necessary repaving during construction. Includes cost of pumping water out of manholes and of cleaning manholes during construction and the cost of permits and privileges for construction.

Pole Investment – The original capitalized cost of Poles included in Plant Investment. Includes poles, crossarms, guys and other material used in the construction of pole lines including towers when not associated with buildings and the cost of initially clearing pole line routes and tree trimming.

Total Depreciation Reserve - The accumulated depreciation associated with Plant Investment (see above for definition of Plant Investment)

Depreciation Reserve Conduit – The accumulated depreciation associated with Conduit Investment.

Depreciation Reserve Poles – The accumulated depreciation associated with Pole Investment.

Depreciation Rate Conduit – The composite depreciation percentage for conduit. This is a rate that produces the same charge to operating expense as the sum of the individual rate applied to individual classes/vintages of plant.

Depreciation Rate Poles – The composite depreciation percentage for poles. This is a rate that produces the same charge to operating expense as the sum of the individual rate applied to individual classes/vintages of plant.

Total Deferred Income Tax – The balance of income tax expense related to current and noncurrent items which have been deferred to later periods as the result of the normalized method of accounting for tax differences or as a result of comprehensive interperiod tax allocation related to temporary differences.

Maintenance Expense Conduit – The expense associated with maintaining and repairing Conduit Investment.

Maintenance Expense Poles – The expense associated with maintaining and repairing Pole Investment.

ATTACHMENT D
POLE ATTACHMENT/CONDUIT LEASING REPORT (Nonproprietary)

Executive, Planning, General and Administrative Expense – The costs incurred in formulating corporate policy, in providing overall administration and management (for example pay, fees and expenses of boards of directors and board designated company officers and staffs); the costs included in developing and evaluating long-term courses of action for future operations of the company (for example performing corporate organization and integrated long-range planning, including management studies, options and contingency plans, and economic strategic analysis); the costs of a general and administrative nature such as costs included in providing accounting and financial services, costs incurred in maintaining relations with government, regulators, other companies and the general public, costs incurred in performing personnel administration, cost incurred in planning and maintaining application systems and databases for general purpose computers, costs incurred in providing legal services, costs incurred in procuring material and supplies, including office supplies, costs incurred in making planned search or critical investigation aimed at discovery of new knowledge; other miscellaneous costs of a corporate nature (for example, general reference libraries, food services, archives, general security, telecommunication, mail service, accident and damage claims, insurance, benefit payments for retired and separated employees, disability payments, payments to employees while in government service, death payments)

Operating Tax Expense – The expense associated with investment tax credits generated from qualified expenditures which the company defers rather than recognizes currently in income including the amortization of each year's investment tax credits for investment services for ratemaking purposes, the amount of Federal Income taxes for the current period including subsequent adjustments to amounts previously charged, the amount of state and local income taxes for the current period including subsequent adjustments to amounts previously charged, other taxes such as property, gross receipts, franchise and capital stock taxes including subsequent adjustments to amounts previously charged, and provision for deferred operating income taxes – net.

Total Number of Poles – The equivalent number of poles which represents the number of solely owned poles plus the sum of the products of the numbers of jointly owned poles times their ownership percentages. Where the ownership percentage is unknown, assume 50%. Do not include leased poles. Include poles used to support both local loop and interoffice facilities. Round to the nearest whole number.

Total Kilometers of Conduit System Duct – The number of ducts times the trench kilometers of conduit, whether underground, in tunnels or on bridges (which is reusable in place), through which cables are pulled. Include both local loop and interoffice facilities.

Total Kilometers of Conduit System Trench – The total length of the trenches that contain ducts of conduit, whether underground, in tunnels or on bridges (which is reusable in place), through which cables are pulled. Include both local loop and interoffice facilities.

ATTACHMENT E

Attachment E
Summary of Various State Price Regulation Plans

- **Alabama Price Regulation:** This plan had a five year cap on Basic Services. Thereafter, increases are limited to GDP-PI minus a pre-determined productivity factor. Interconnection Services had stipulated reductions for five years then were capped at the interstate levels. Non-Basic Services were capped for 1 year, then can increase a maximum of 10% per year.
- **Arizona Price Regulation:** A three year plan that uses an inflation factor and a pre-set productivity factor.
- **Georgia Price Regulation:** This plan had a five year cap on Basic Services which included residence and single-line business, and TouchTone. Subsequent to the 5 year period, prices for Basic Services may be adjusted subject to an inflation based cap. The cap increase shall not exceed the greater of one-half of the percentage change in the GDP-PI when the GDP-PI is greater than 3% or GDP-PI minus a pre-determined productivity factor. All other local exchange services rates can be set on a basis that does not unreasonably discriminate between similarly situated customers and are subject to a complaint process. Intrastate switched access rates can be no higher than interstate access rates.
- **Minnesota – AFOR:** This plan allows pricing flexibility with stringent service quality rules. It includes provision for price increases due to incurring defined exogenous costs, such as implementation of a state USF or tax rate increases. The state public service commission may not consider earnings thus, affiliate pricing rule changes are not an issue.
- **Missouri Price Cap Regulation:** The maximum rates for all services are set at the rates in effect at the end of the year immediately prior to becoming a price cap company. Thereafter the maximum rates for non-basic services may be increased by a maximum of 8% annually. There may be a rebalancing between basic local rates and switched access for 4 years following the adoption of price cap status, up to a maximum of 6 dollars?. Annually basic rates including switched access and service connection charges must be adjusted based on either the change in the CPI-TS or by the GDP adjusted for a productivity factor.
- **New Mexico Price Regulation:** The 1FR and 1FB rates were capped at initiation of plan. Scheduled increases to the 1FR cap may be implemented only if certain investment commitments are met. The company may decrease or increase prices for services other than 1FR, 1FB, and Switched Access. Decreases to prices may not be below cost and increases to prices may be no more than 5% in one year up to a total of 20% above the initial price, provided the resulting price for the service is no greater than the average price of the prices in the other Qwest states.

Attachment E
Summary of Various State Price Regulation Plans

- Utah Price Regulation: Prices are based on a GDP-PI, inflation factor, and a productivity factor that is set by the Commission. The only other adjustment allowed is for exogenous costs unique to the company. This plan would not be affected by changing the affiliate rules since neither costs nor revenues are used in any of the calculations.
- Wisconsin Price Regulation: Under this plan, rates are set based on inflation and productivity factors combined with adjustments associated with meeting service quality and infrastructure investment requirements.

CERTIFICATE OF SERVICE

I do hereby certify that I have this 8th day of April 2002 served the following parties to this action with a copy of the foregoing **JOINT COMMENTS OF BELLSOUTH, SBC, VERIZON, QWEST, FRONTIER, and CBT** by electronic filing to the parties listed below.

+William Caton
Acting Secretary
Federal Communications Commission
The Portals, 445 12th Street, S. W.
Room 5-B540
Washington, D. C. 20554

+Qualex International
The Portals, 445 12th Street, S. W.
Room CY-B402
Washington, D. C. 20554

/s/ Juanita H. Lee
Juanita H. Lee